Weekly Economic Review

Alberta's population posts solid gain

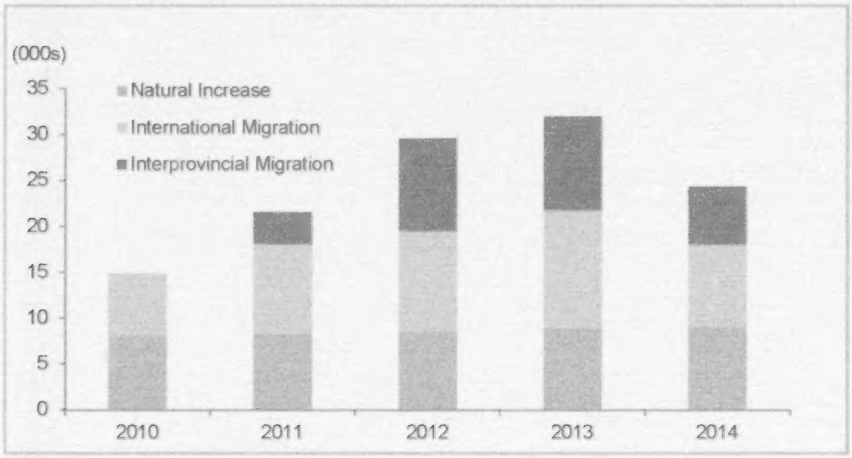
Population

Population grows at more than double the national rate

Alberta's population continues to post solid growth. The population reached 4,145,992 as of October 1st 2014, expanding by 2.6% on a year-over-year (y/y) basis. Alberta welcomed 15,171 new residents from other provinces and outside Canada in the third quarter. While still solid, the influx of net migrants is lower than in recent quarters. Interprovincial migration eased to 6,320, and international migration added 8,851 people to the province's population in the third quarter. Both migration totals were the lowest third quarter levels since 2011.

Chart 1: Population growth moderates slightly

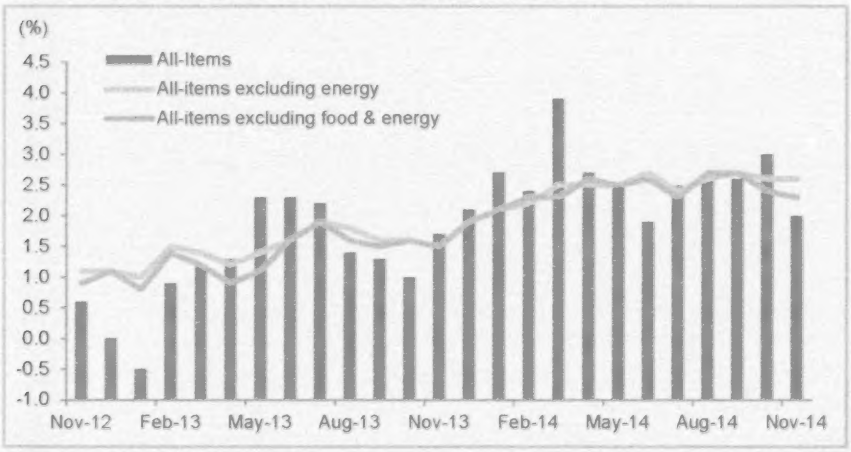
Third Quarter population growth by component



Source: Statistics Canada

Chart 2: Inflation falls on lower energy prices

Year-over-year change in Alberta Consumer Price Index



Source: Statistics Canada

Canada's population reached 35,675,834 as of October 1st, 2014, a 1.1% year-over-year increase.

Consumer Price Index

Inflation moderates

Alberta inflation was a more subdued 2.0% in November, a full percentage point lower than October as a result of lower energy prices (Chart 2). Electricity (-8.2% y/y) and gasoline (-4.1% y/y) were mostly responsible for the slowdown, while food and accommodation costs have continued to shore up inflation at 2.0%. Inflation excluding energy held steady at 2.6% last month. Food prices were up 3.9% y/y with meat and fresh produce prices up sharply. Both owned and rented costs above have continued to grow at over 3% with home and mortgage insurance increasing by double digits in every month this year.

Canadian inflation was 2.0% in November, exactly inline with the Bank of Canada's target rate. Similar to Alberta, Canadian food and shelter prices are pushing inflation higher with inflation excluding food and shelter at sitting at a low 1.7%.

Resale housing

Alberta housing market still tight

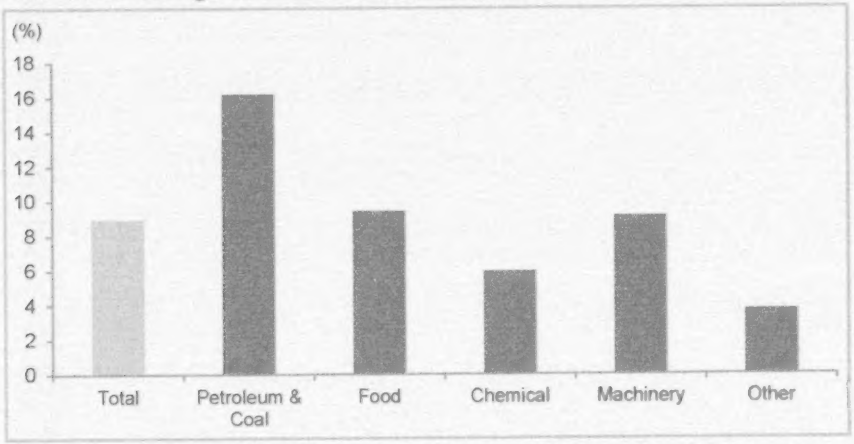
Alberta's resale market remained resilient in November. New listings were up 13.0% y/y, outpacing a 9.4% increase in sales. This pushed the sales-to-new listings ratio down slightly to 0.65, which is still considered a

seller's market. Calgary maintained double digit year-over-year growth in both sales and new listings, which kept the sales-to-new listings (0.68) in the seller's territory. Edmonton's market tighten slightly with higher sales pushing the sales-to-new listings ratio up to 0.68. Edmonton average resale prices also posted substantial gains in November, recording double-digit year-over-year growth for the first time since December 2007. Across the province, average resale prices were up 5.5% y/y.

Nationally, sales were up 8.3% y/y, outpacing new listings growth of 3.2%. Canada's average resale price increased by 5.7% y/y in November.

Chart 3: Manufacturing sales are up across major industries

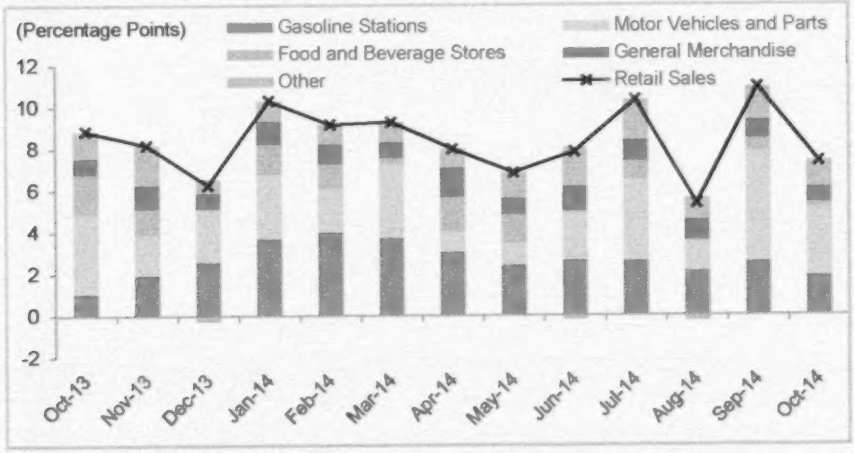
Year-to-date change in Alberta manufacturing sales



Source: Statistics Canada

Chart 4: Gasoline stations and motor vehicle and parts dealers drive growth

Contributions to year-over-year growth in Alberta retail sales



Source: Statistics Canada

Manufacturing Sales

Shipments keep rising

Alberta manufacturing sales continued to grow in October, reaching $6.8 billion. This is an increase of 1.3% from September and 8.7% from October 2013. Non-durable goods were responsible for much of the year-over-year increase, up 10.4%, led by petroleum & coal producers (+15.1% y/y). Food sales were also up a healthy 12.4%. Shipments of durable goods increased 5.3% y/y, led by machinery products. Year-to-date, manufacturing sales are up 9.0%, with petroleum & coal shipments accounting for half of the overall increase.

Nationally, manufacturing sales fell for the second month in a row, in October. Even with these declines, sales remain 5.7% above October 2013.

Retail Sales

Sales hold steady

Alberta retail sales held steady on a monthly basis in October at $6.7 billion, but were up a healthy 7.2% over the same month last year. The year-over-year growth was led by sales of motor vehicles and parts, which were up 11.1%. Sales from gasoline stations continued strong growth at 13.9% y/y. Together, gas stations and motor vehicle and parts dealers accounted for 70% of total retail sales growth (Chart 4). They have also accounted for most of the 8.4% year-to-date growth, with sales from gasoline stations up 21% and motor vehicle and parts receipts up 9.0% over the first ten months of the year.

Nationally, retail sales were largely unchanged in October at $42.8 billion, an increase of 4.9% from October 2013 and up 4.7% year-to-date.

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Please see the *Alberta Economy- Indicators at a Glance* for a snapshot of Alberta indicators.